CHAPTER III—REVENUE AND FINANCE.

(i) Revenue and Finance.

General Summary.

The statement showing the Receipts and Disbursements of the State, for the year 1952-53 is given in Appendix I.

351. The total Revenue realised during the year 1952-53 was Rs. 1,871·39 lakhs and the net expenditure met out of Revenue was Rs. 1,794·98 lakhs, resulting in a net surplus of Rs. 76·41 lakhs.

352. The total Receipts and Disbursements for the year, including Service and Debt and Remittance Heads were Rs. 15,549·43 lakhs and Rs. 16,019·74 lakhs respectively and the year closed with a cash balance of Rs. 10·89 lakhs.

Consolidated Fund Revenue Receipts.

353. As compared with the Actuals for the previous year, large increases appear under XVIII I.N.E. & D works for which no capital accounts are kept (Rs. 26·00 lakhs) XXVI—Education (Rs. 13·56 lakhs), XLVI—Miscellaneous (Rs. 17·33 lakhs) and XLIX—Grants-in-aid from the Central Government (Rs. 40·25 lakhs).

354. These increases are, to a great extent set off by decreases under the following heads. VIII State Excise Duties (26·69 lakhs), XIII Other Taxes and Duties (20·38 lakhs), XXXVI Miscellaneous Departments (17·24 lakhs) LI—Extraordinary Receipts (54·53 lakhs) and LII—A—Transfer from Funds (19·90 lakhs).

355. The increase of Rs. 26·00 lakhs under XVIII I.N.E. and D. Works for which no capital accounts are kept is due to the sum of Rs. 26·00 lakhs, representing the grant from the Government of India for 1951-52 towards the construction and repairs to dams and channels having been realised and taken under this head during the year 1952-53. The large increase under Education is mainly due to the transfer of the balance at the credit of the Elementary Education Fund at the end of 1951-52 to this Receipt head as the head "E.E. Fund" ceased to be operative with effect from 1st April 1952. The increase under XLVI—Miscellaneous (17·33 lakhs) is mainly due to the adjustment of Lapsed Deposits of previous years. No receipts have been booked under LII-A Transfer from Revenue Reserve Fund and the transfers from the various funds,

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shown under this head of account in the Budget Estimates for 1952-53, have been accounted for as reduction of Expenditure under the relevant service heads.

Expenditure.

356. Large increases appear under 23—Appropriation for Reduction of avoidable Debt (+Rs, 10·00 lakhs), 29 Police (Rs. 15·37 lakhs) and 37 Education (Rs. 31·64 lakhs. There have been large decreases under 25—General Administration (Rs. 14·37 lakhs), 43 Industries and Supplies (Rs. 30·92 lakhs) and 63 Extraordinary charges (Rs. 32·05 lakhs).

357. The increase under 23 Appropriation for Reduction of avoidable Debt is due to the enhancing of the contribution to the Sinking Fund from Rs. 20 to 30 lakhs during the year. The increase under 29 Police mainly appears under "District Executive Force" and "Special Police". The decrease under 43 Industries and Supplies appears mainly under "Industries." The large decrease under 63 Extraordinary charges is due to the enhancement of sale prices and consequent reduction in the cost of subsidising foodgrains.

Capital.

358. The capital outlay during the year exceeded that in the previous year by Rs. 177·58 lakhs and large increases appear under all the Major heads.

Contingency Fund.

359. All the amounts advanced from out of the "Contingency Fund" during the year were recouped in full before the year's accounts were closed and the fund closed with a credit balance of Rs. 30 lakhs.

Public Accounts.

360. Under unfunded Debt there was a net incoming of Rs. 45·37 lakhs under State Government Insurance Fund and Rs. 5·47 lakhs under State Provident Funds. There was a net outgoing of Rs. 25·53 lakhs and Rs. 12·85 lakhs, under "Savings Bank Deposits" and "State Certificates" respectively. The heavy outgoing of Rs. 629·32 lakhs under "Special Development and Reserve Funds (Mysore)" is due to the balances under these heads having been closed to Government account. Under "Other Deposit Accounts", there was an outgoing of Rs. 20·79 lakhs under "Deposits of Local Funds" and Rs. 9·60 lakhs under "Civil Deposits". The large outgoing of Rs. 290·55 lakhs under "Advances not bearing interest" is mainly due to the heavy outgoings in respect of "Adjusting Account with Part 'B' States" (Rs. 100·26 lakhs) and "Adjusting Account between Central and State Governments" (Rs, 165·52 lakhs).

(ii) Excise.

Distillery.

361. The Mysore Sugar Company Ltd., Bangalore, continued to be the manufacturing contractors for the supply of liquors to the State. Their contract for the supply of liquors was extended for a further period of one year from 1st July 1952 up to the end of June 1953. There was no change in the following rates paid to the Company for the supply of Molasses Arrack and Special Liquors :—

A. Molasses Arrack ... Twelve annas per gallon.

B. Special Liquors—

(1) Rs. 2-7-0 per gallon (naked).

(2) Rs. 5 bottling charges per gallon in Quart bottles.

(3) Rs. 10 bottling charges per gallon in Pint bottles.

Packing charges—

(4) Rs. 6 per case of eight gallons in Quart bottles.

(5) Rs. 6 per case of six gallons per gallon of Pint bottles.

Arrack Bonded Depots. Shops.

362. There were 18 Arrack Bonded Depots during the year. Private Depots for the supply of Arrack to the shops of Bangalore City, Civil Area and Taluk were also permitted to be opened, as in the previous year.

363. The number of shops licensed for the retail vend of molasses arrack was 105 (105), while that for the sale of bottled liquors was 9 (9).

Incidence of consumption.

364. The consumption of arrack of 35 U.P. was 2,35,678 (3,13,713) gallons, while that of special liquors supplied in bottles was 9,795 (15,503) gallons. The supply of country spirits to shops was not controlled by quotas.

Rectified Spirit licenses.

365. The incidence of consumption of country spirits per 100 of the population was 6·21 (8·44) proof gallons computed in respect of the population of only the wet Districts of the State.

366. The number of licenses issued for the sale of the rectified spirits during the year was 93 (104). Of these, 85 (80) licenses were held by chemists, druggists, charitable institutions and industrial concerns. Besides, 8 free licenses were issued to hospitals.

367. From the Distillery, 76,039· 10 (1,06,375) gallons of rectified spirits including absolute alcohol, were issued

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from Mandya Distillery during the year. Of these, 44,339·10 (59,335) gallons were issued for consumption by licensees in the State and 31,700 (47,040) gallons were exported outside the State.

(1) Ernakulam	...	25,100 gallons
(2) Cochin	...	6,100 ,,
(3) Calcutta	...	500 ,,
Total	...	31,700 gallons

Imports.

368. The quantity of spirituous medicinal preparations that were imported into the State was 716·570 proof gallons.

Exports.

369. The export of spirituous medicinal preparations by the several bonded Laboratories in the State to places outside the State amounted to 16,168·0466 proof gallons. Of this, 15,152·5616 proof gallons were subjected to duty while the balance of 15·5150 proof gallons were free of duty.

Denatured Spirits.

370. Two hundred and thirty-five (235) licenses were issued for the possession, use in the manufacture of polishes and sale of denatured spirits.

Consumption.

371. A total quantity of 1,99,396 (1,83,203) gallons of denatured spirits was issued out of the Distillery during the year.

372. The rate of license fee on the issue of denatured spirits from the Distillery was enhanced from Re. 1 to Rs. 2 per Imperial Gallon with effect from 1st July 1952. In March 1953, the rate was further increased to Rs. 2-8-0 per Imperial gallon. But the denatured or methylated spirits issued from the Distillery at Mandya, on behalf of the Mysore Sugar Company Ltd., for export to places outside Mysore State, continued to be exempted from payment of license fee.

Molasses Arrack and Special liquors.

373. There was a stock of 2,50,759·5 gallons of molasses arrack and 24,255·0 gallons of special liquors during the year including quantities of 2,38,132·5 gallons of Molasses Arrack of 35° U.P. A quantity of 9,404 gallons of special liquors was manufactured during the year.

Toddy.

374. The revenue derived from the sale of toddy amounted to Rs. 82,24,136 (Rs. 93,16,823) comprising of shop rentals Rs. 72,92,799 (Rs. 84,06,132), tree tax Rs. 9,00,471 (Rs. 8,83,832) and tree rent Rs. 30,866 (Rs. 26,859).

Shops.

375. The number of shops for the sale of date and cocoanut toddy was 565 (565), while that for the sale of Bagani Toddy was 6 (6).

376. No tree was permitted to be tapped, free of tree tax for domestic consumption during the year.

377. Consequent on the extension of total prohibition throughout the Madras State no trees were licensed in Mysore for Madras shops or in Madras for Mysore shops.

Malt Liquors

378. The consumption of beer amounted to 1,40,316 (1,28,823) gallons during the year. The United Breweries Ltd., Bangalore and Venus Brewery in Bangalore and the Chamundi Brewery in Mysore continued to manufacture beer.

379. The revenue realised from Malt liquors amounted to Rs. 4,24,324 (Rs. 4,46,549).

Foreign Liquors.

380. The number of licenses renewed was 72 (67). Of these, 13 (12) were wholesale, 21 (21) retail 7 (10) Hotel and 31 (24) ordinary Refreshment Room (bar) licenses.

381. The revenue realised under license and gallonage fee was Rs. 2,85,238 (Rs. 4,10,199).

Hemp Drugs.

382. Four licenses for the cultivation of Ganja in a total area of 20 acres in Goribidnur Talúk were issued.

Ganja.

383. The consumption of Ganja during the year was 4,664 (5,829) seers.

384. The rate of duty per seer of 80 tolas charged to the licensees continued to be Rs. 65 during the year.

385. The number of shops licensed for the sale of Ganja was 69 (68).

386. The revenue derived from Ganja amounted to Rs. 8,96,446 (Rs. 11,92,840).

Opium.

387. The limit of private possession of opium continued to be one tola as in the previous year.

388. The revenue derived from opium was Rs. 3,18,204 (Rs. 3,97,626) comprising of Rs 2,23,304 (Rs. 2,84,797) under license fee and Rs. 94,900 (Rs. 1,12,829) under gain on sale of opium.

Offences.

389. The total number of offences reported during the year under Excise and Opium Acts was 1,446 (1,213). Of these, 382 (285) cases related to heinous offences, 146 (74) to the cutting and removal of Date leaves and trees and the remaining 918 (854) to the breaches of license conditions.

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390. The number of cases relating to illicit distillation and kindred offences increased from 57 to 183 during the year, the largest number of cases reported being 143 (52) in the Bangalore District.

391. The total number of offences relating to illicit manufacture of toddy was 3 (2).

392. The number of cases reported under Hemp Drugs was 166 (136).

Secret Service and rewards.

393. The expenditure incurred under Secret Service and Rewards during the year was Rs. 1,642 (Rs. 587).

394. Including the arrears of Rs. 7,25,763 outstanding at the beginning of the year, the total demand of the Excise Revenue amounted to Rs. 1,98,70,143 (Rs. 2,29,50,864) of this amount, a sum of Rs. 1,84,44,484 (Rs. 2,17,95,292) towards the current demand, and Rs. 4,72,485 (Rs. 3,02,246) towards old arrears was collected and a remission of Rs. 6,404 (Rs. 479) was written off the accounts and a sum of Rs. 5,925 was ordered to be reduced in the demand as it was wrongly taken on demand was sanctioned thus leaving a balance of Rs. 9,46,770 (Rs. 7,53,326) at the close of the year.

Old Arrears.

395. Out of Rs. 6,25,763 outstanding at the beginning of the year, a sum of Rs. 4,72,485 was collected and a remission of Rs. 6,404 was sanctioned, leaving a balance of Rs. 2,46,874 at the close of the year.

396. The expenditure of the Department amounted to Rs. 5,16,205 (Rs. 4,64,833).

397. The incidence of taxation per head of population was Rs. 4-2-5 (Rs. 5-13-9) computed in respect of the wet districts of the State leaving out the dry districts.

Changes.

398. The duty on beer was enhanced from annas twelve to Rupee one per gallon with effect from 1st July 1952.

399. The scale of gallonage fee was doubled in respect of imported Foreign liquors as follows :—

(1) Spirits liquors, sparkling wines and wines containing over 42 per cent proof spirit.	Rs. 9 per Imperial gallon of six quarts.	
	Rs. a. p.	
(2) Wines of all other kinds	... 4 8 0	do.
(3) Foreign Beer, Cider and Fermented liquors	... 1 8 0	do.

400. The scheme of the experiment in Prohibition in the Rural Welfare and Health Centre in Ramanagaram and Channapatna Taluks started from 1st July 1938 was continued during the year.

(iii) Sales Tax.

401. The Commissioner of Excise continued to be the *ex-officio* Commissioner of Sales Tax. The Deputy Commissioners' divisions remained at two and the Sales Tax Officers' Circles at eleven.

402. For speeding up the collection of arrears, 9 special Revenue Inspectors were taken on deputation from the Revenue Department for a period of one year. They were entrusted with the work of (a) collecting the arrears. resorting to distraint sale, etc, under the Land Revenue Code, (b) conducting prosecutions in the Criminal Courts and (c) culling out information available at import and export points and at distribution centres for purposes of cross-referencing with the accounts of dealers.

403. Important changes that were made in the working of the Act, and the Rules during the year were :—

(1) Sub-rule (2) of Rule 1 and clause (i) of sub-rule (1) of Rule 2 in the Rules for the computation of turnover were amended.

(2) Sub-Rules 46 A (1) and (2) empowering the Sales Tax Commissioner to transfer any case pending before an assessing authority to another assessing authority, were added to Mysore Sales Tax Rules by amendment.

(3) Percentage of deduction allowable for labour in respect of several " Works Contracts " for the purposes of computation of turnover was fixed.

(4) Reduced rates of tax were granted with effect from 1st April 1952 for dealers in betel leaves.

(5) The concession granted to sale of Gold Thread and Gold Tissue in Notification No. Fl. 4867—S.T. 3-49 dated 30th December 1949 was cancelled.

(6) On 4th April 1952, reduced rates of tax were fixed for dealers in mutton, eggs, fruits, vegetables, flowers, fresh milk, bread and betel leaves.

(7) In partial modification of notifications Nos. Fl. 4261—S. T. 1-48-21 dated 9th November 1948 and Fl. 6643—S. T. 1-48-32 dated 14th December 1948, the exemption from the levy of Sales Tax granted in respect of

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(1) firewood and charcoal, (2) Thupra or beedi wrapper leaves and (3) leaf tobacco, cured as well as uncured was cancelled.

8. In partial modification of Notification No. Fl. 1869—S.T. 1-48, dated 24th August 1948, matches were made liable to sales-tax only at the time of the first sale after manufacture or import into Mysore State.

9. The exemption from the levy of sales-tax granted in respect of all goods sold to the Palace was cancelled in April 1952.

10. Deduction of Excise Duty paid to Central Government from the gross turnover was granted with effect from 1st April 1950.

Dealers.

404. Out of 21,155 (21,175) registered dealers, 12,954 (12,648) were assessed to tax and 6,437 (5,419) were treated as below Rs. 10,000. The number of cases pending assessment was 1,764 (3,108). The amount of Registration fees collected was Rs. 1,22,057 (Rs. 1,16,829).

Licenses.

405. The number of licenses issued or renewed during the year was 1,496 (1,498). The amount of license fee collected was Rs. 2,95,984 (Rs. 3,27,649).

406. A sum of Rs. 1,04,012 (Rs. 6,62,876) was allowed as rebate under Section 8 of the Sales Act, and the claim in pending cases amounted to Rs. 1,97,251 (Rs. 4,46,404).

407. On the ground of under-assessment or escapement of assessment under Rule 34 of Mysore Sales-Tax Rules, 198 cases were re-opened which brought in a revenue of Rs. 1,51,065. There were 26 cases of rectification of mistakes under Rule 35. Eleven cases of agents of non-residents were assessed to tax under Section 19 during the year.

Demand, Collection and Balance.

408. The total net demand, collection and balance including miscellaneous items of revenue were Rs. 167·89 lakhs, Rs. 125·20 lakhs and Rs. 42·69 lakhs, respectively.

409. There were 1,793 (2,089) appeals and 906 (740) revision petitions to be dealt with during the year. Of these, 1,251 (1,928) appeals and 787 (492) revision petitions were disposed of, leaving a balance of 542 (161) appeal petitions and 199 (248) revision petitions at the end of the year.

Prosecutions.

410. There were 135 prosecutions pending at the beginning of the year. Two thousand six hundred and

fifty four prosecutions were launched afresh. Of these, 2,789 cases, 1,547 (372) were withdrawn, 59 (69) were acquitted and 617 (328) were convicted, leaving a balance of 566 at the end of the year.

411. The total number of offences of all categories under Section 20 was 2,166 (415) including pending cases at the beginning of the year. In 58 (32) cases, the parties were let off with a warning. One thousand nine hundred and forty-one (318) cases were compounded, leaving a pendency of 151 (45) cases at the end of the year.

(iv) Stamps.

412. The total revenue from stamps under all heads amounted to Rs. 44,06,243 and the expenditure incurred was Rs. 2,73,403. The net revenue during the year was Rs. 41,32,839.

413. The amount outstanding recovery at the beginning of the year under Institution fees in pauper suits was Rs. 2,32,342. A sum of Rs. 65,146 was awarded as fees by the several Sub-Courts during the year bringing the total to Rs. 2,97,488 at the end of the year. A sum of Rs. 36,820 was recovered and a sum of Rs. 11,651 was remitted as irrecoverable during the year. The year closed with a balance of Rs. 2,49,017.

414. No prosecution for the evasion of stamp duty under the provisions of the Mysore Stamp Act was instituted during the year.

415. Consequent on the enhancement of Court fees rates in respect of certain articles with effect from 1st August 1952, the revenue under Judicial stamps was increased during the year.

416. Important measures undertaken were :— (1) Sanction was accorded empowering the Amildars of taluks to examine and destroy the unused or spoiled stamp paper under sections 49 and 54 of the Stamp Act, for which refund was ordered under his personal supervision at the time of passing refund orders on payee's vouchers.

(2) Orders were issued in June 1952 notifying further amendment of the Rules for the control, manufacture, custody, supply and sale of stamps issued in March 1925 substituting the amended para 2 of

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Rule 6, in appointing the Special Deputy Commissioners of Sales Tax as Ex-officio Inspectors of Stamps within their respective jurisdiction entrusting them with specific duties.

(3) Orders were issued amending the Mysore Court Fee Act 1900 (Mysore Act III of 1900) by the Mysore Court Fee (Amendment) Act 1952) (Mysore Act No. XVIII of 1952) substituting certain new articles for the articles in Schedule I to the Principal Act with effect from 1st August 1952 with enhanced rates of Court fees.

(4) Orders were issued extending the provisions of the Mysore Amusement Tax Act (1952) to the area comprised within the (*a*) Arsikere Town Municipality from 1st December 1952 (*b*) Tiptur Town Municipality from 15th January 1953 (*c*) Kunigal Town Municipality from 1st February 1953 (*d*) Holenarasipur Town Municipality from 1st February 1953 (*e*) Gubbi Town Municipality from 15th February 1953 and (*f*) Sringeri Town Municipality from 15th February 1953.

417. Orders were issued in March 1953 sanctioning the exemption from payment of Stamp duty on Policies issued by the Public Branch and Motor Branch during the period from 1st February 1942 to 31st March 1953.

418. The question of printing new design Entertainment tax stamps and Receipt stamps of the Mysore State, at the India Security Press, Nasik was under consideration.

419. The question of introducing All-India design stamps in the Mysore State was under consideration.

(v) Mysore Government Insurance Department.

420. As the activities of the Insurance Department have increased in volume, it was considered necessary to reorganise the present system of working of the Department and the post of a General Manager was sanctioned in May 1952. Sri J. Appaji Gowda, B.A. (Hons.), was appointed as General Manager of the Department. The Insurance Reorganisation Committee consisting of the General Manager as Chairman, Financial Secretary, Excise Commissioner and the Secretary, Mysore Government Insurance Department as Secretary was constituted for examining the scheme of reorganisation of the Department and to submit proposals. Orders were issued to enhance the rate of interest payable on the balances of the Insurance Funds from 3½ per cent to

4 per cent per annum with effect from 1st July 1948. Consequent on the recommendations of the Insurance Reorganisation Committee and the General Manager for tackling the arrears of accounts in the Department, sanction was accorded to an Arrears Clearance Scheme which has been put into effect from 1st April 1953 and the work of the department is expected to be brought up-to-date during the financial year.

421. The proposals of the Insurance Re-organisation Committee on the subject of starting of a Fire Insurance Scheme is under consideration.

Official Branch

422. The Central Government's decision is awaited regarding grant of exemption in favour of Mysore Government Insurance Department under section 118 of the Indian Insurance Act 1938-50. Out of 8,061 (8,088) proposals dealt with, 5,455 (5,638) proposals were accepted, 4,435 (4,523) being cases of first insurance and 1,020 (1,115) being cases of further insurance. One thousand seven hundred and fifty-three proposals were rejected, 1,633 (1,623) temporarily and 120 (215) permanently on medical and other grounds. Eight hundred and fifty-three proposals were pending disposal at the close of the year.

Policies.

423. Out of 6,391 (6,696) proposals accepted during the year including 935 proposals pending at the beginning of the year, 4,996 proposals resulted in policies for an assurance of Rs. 65,07,288 bringing in a monthly premium of Rs. 24,068. Out of the remaining 1,395 proposals, 250 were cancelled and for 1,145 cases, treasury receipts for payment of first premium had not been received before the close of the year.

Public Branch.

424. Eight thousand one hundred and forty-three (8,647) proposals for Rs. 1,10,68,143 (Rs. 1,23,98,511) were received in the Public Branch. Including 307 proposals for an assurance of Rs. 4,38,000 (Rs. 4,36,100) pending at the commencement of the year, 7,506 (8,166) proposals were accepted, 282 were rejected or postponed and 194 were cancelled or withdrawn, leaving a balance of 468 proposals for an assurance of Rs. 6,25,972 pending at the end of the year.

425. Out of the accepted proposals, 6,948 proposals resulted in policies assuring Rs. 94,83,563.

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Motor branch.

427. The Motor Insurance Branch covered risks for 2,097 (2,146) vehicles, earning a premium income of Rs. 1,86,342 (Rs. 2,04,941). The Motor Insurance Fund was Rs. 8,44,883 (Rs. 7,72,990).

428 .The Department as usual participated in the Dasara Exhibition of 1952 and procured new business of the value of Rs. 5,14,950 for 273 proposals.